

AMENDED IN SENATE APRIL 12, 2010

SENATE BILL

No. 1461

Introduced by Senator Ashburn

February 19, 2010

An act to ~~amend Section 56001 of~~ *add Section 53593.5* to the Government Code, relating to local government.

LEGISLATIVE COUNSEL'S DIGEST

SB 1461, as amended, Ashburn. Local government: ~~reorganization~~.

Existing law prohibits an investment firm, as defined, from having specified interests in a new issuance of bonds from a local agency.

This bill would prohibit a local agency from entering into a financial advisory, legal advisory, underwriting, or similar relationship with an individual or firm, with respect to a bond issue that requires voter approval on or after January 1, 2011, if that individual or firm, or an employee, agent, or person related to an employee or agent of the individual or firm, provided or will provide bond campaign services, as defined, to the bond campaign.

~~The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 sets forth the Legislature's findings and declarations regarding the use of local government reorganization.~~

~~This bill would make a technical, nonsubstantive change in that law.~~

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 53593.5 is added to the Government Code,*
2 *to read:*

1 53593.5. (a) A local agency is prohibited from entering into
2 a financial advisory, legal advisory, underwriting, or similar
3 relationship with an individual or firm, with respect to a bond
4 issue that requires voter approval on or after January 1, 2011, if
5 that individual or firm, or an employee, agent, or person related
6 to an employee or agent of the individual or firm, provided or will
7 provide bond campaign services to the bond campaign.

8 (b) For purposes of this section, “related” includes, but is not
9 limited to, a family relationship by blood or marriage, a financial
10 relationship, an affiliation between business structures, or the
11 sharing of one or more common principals.

12 (c) For purposes of this section, “bond campaign services”
13 includes fundraising, public opinion polling, election strategy and
14 management, organization of campaign volunteers, get out the
15 vote services, development of campaign literature, and advocacy
16 materials. “Bond campaign services” does not include advice and
17 support related to the preparation of tax rate statements and other
18 documentation required for inclusion in the voter pamphlet
19 published by the applicable county registrar of voters.

20 ~~SECTION 1. Section 56001 of the Government Code is~~
21 ~~amended to read:~~

22 56001. ~~The Legislature finds and declares that it is the policy~~
23 ~~of the state to encourage orderly growth and development which~~
24 ~~are essential to the social, fiscal, and economic well-being of the~~
25 ~~state. The Legislature recognizes that the logical formation and~~
26 ~~determination of local agency boundaries is an important factor~~
27 ~~in promoting orderly development and in balancing that~~
28 ~~development with sometimes competing state interests of~~
29 ~~discouraging urban sprawl, preserving open space and prime~~
30 ~~agricultural lands, and efficiently extending government services.~~
31 ~~The Legislature also recognizes that providing housing for persons~~
32 ~~and families of all incomes is an important factor in promoting~~
33 ~~orderly development. Therefore, the Legislature also finds and~~
34 ~~declares that this policy should be effected by the logical formation~~
35 ~~and modification of the boundaries of local agencies, with a~~
36 ~~preference granted to accommodating additional growth within,~~
37 ~~or through the expansion of, the boundaries of those local agencies~~
38 ~~which can best accommodate and provide necessary governmental~~
39 ~~services and housing for persons and families of all incomes in~~
40 ~~the most efficient manner feasible.~~

1 ~~The Legislature recognizes that urban population densities and~~
2 ~~intensive residential, commercial, and industrial development~~
3 ~~necessitate a broad spectrum and high level of community services~~
4 ~~and controls. The Legislature also recognizes that when areas~~
5 ~~become urbanized to the extent that they need the full range of~~
6 ~~community services, priorities are required to be established~~
7 ~~regarding the type and levels of services that the residents of an~~
8 ~~urban community need and desire; that community service~~
9 ~~priorities be established by weighing the total community service~~
10 ~~needs against the total financial resources available for securing~~
11 ~~community services; and that those community service priorities~~
12 ~~are required to reflect local circumstances, conditions, and limited~~
13 ~~financial resources. The Legislature finds and declares that a single~~
14 ~~multipurpose governmental agency is accountable for community~~
15 ~~service needs and financial resources and, therefore, may be the~~
16 ~~best mechanism for establishing community service priorities~~
17 ~~especially in urban areas. Nonetheless, the Legislature recognizes~~
18 ~~the critical role of many limited purpose agencies, especially in~~
19 ~~rural communities. The Legislature also finds that, whether~~
20 ~~governmental services are proposed to be provided by a~~
21 ~~single-purpose agency, several agencies, or a multipurpose agency,~~
22 ~~responsibility should be given to the agency or agencies that can~~
23 ~~best provide government services.~~